

Washington, DC – Today, Congressman Joe Sestak (PA-07) supported House passage of the Fiscal Year 2010 Financial Services and General Government Appropriations Act, which was approved by a margin of 219-208. The bill is a key part of efforts to restore the stability of, and the public confidence in, America's financial institutions. It makes needed investments in strengthening the Securities and Exchange Commission's ability to enforce rules that govern investments and financial markets and to detect and prosecute fraudulent schemes. It increases the Federal Trade Commission's capacity to protect consumers and combat anti-competitive behavior. As the country faces tough economic times, this bill also continues to invest in economic development programs for disadvantaged communities and makes resources available to small businesses.

The bill also included funding for three projects sponsored by Congressman Sestak, including \$35,000 to help cover additional financial counseling by the Credit Counseling Service of Delaware Valley; \$65,000 for the Philadelphia Development Partnership's expansion of its Southeastern Pennsylvania Micro Business Center into Upper Darby, Delaware County; and \$150,000 to start an Entrepreneurial Leadership Center at West Chester University. The bill now awaits Senate approval and the President's signature.

"During this difficult economic period, it is important to address the needs of those most affected, while planting the seeds of economic recovery," said Congressman Sestak. "This bill, including the three projects I sponsored, does just that."

The \$65,000 in the bill for the Philadelphia Development Partnership (PDP) is a long-term investment to stimulate, stabilize and grow Delaware County's economy. PDP has had a presence in Delaware County for ten years, in the City of Chester. The organization is looking to expand operations in Upper Darby Township in addition to our office in Chester in order to position ourselves as a wider-reaching and accessible Delaware County entrepreneurial development organization. This investment in PDP will lead to long-term results for economic conditions in Delaware and the surrounding counties.

Entrepreneurial Leadership Center is scheduled to open in 2010 at West Chester University. Small businesses have been recognized as the nation's major generators of employment. The problem is how to increase the interest of college graduates in becoming entrepreneurs while helping greater numbers of existing small businesses to succeed. To achieve that goal, West Chester University will create the Entrepreneurial Leadership Center. The center will sponsor faculty-lead teams of students to provide the expertise start-up small businesses need to

succeed. At the same time, students will learn the skills they need to become entrepreneurs. The project will encourage the development of emerging small businesses thereby increasing employment in southeastern Pennsylvania. It is anticipated that 40 students and 10 start-up firms will be involved in the project in its first year (2010).

Along with these local projects, the bill provides \$24.551 billion in Fiscal Year 2010 funding, approximately \$1.6 billion more than last year, to address the needs in stabilizing and restoring faith in our Nation's financial institutions. It strengthens the Securities and Exchange Commission's ability to enforce rules; continues to invest in economic development programs for disadvantaged communities and makes resources available to small businesses, among other provisions.

"This bill not only helps address one of the root causes of this economic crisis-- failure of our financial system-- it helps build for the future with \$236 million increase in funding for the Small Business Administration, and \$137 million more for such programs as the Community Development Financial Institutions (CDFI) Fund."

Details of 2010 Financial Services and General Government Appropriations

KEY INVESTMENTS:

REBUILDING REGULATORY AGENCIES TO PROTECT CONSUMERS, TAXPAYERS, AND INVESTORS

Securities and Exchange Commission (SEC): \$1.036 billion, \$76 million above 2009 and \$10 million more than the President's request, to strengthen and enforce rules that govern investments and financial markets and to detect and prosecute fraudulent schemes. Funds will allow hiring another 140 investigators, lawyers and analysts, on top of the 140 added this year.

Federal Trade Commission (FTC): \$292 million, \$33 million more than 2009 and \$4.5 million above the President's budget, to strengthen the FTC's capacity to protect consumers and combat anti-competitive behavior. Among other things, the FTC investigates and prosecutes unfair and deceptive practices in areas such as foreclosure rescue and credit repair services, non-bank mortgage brokers, payday lending, and debt collection—all especially serious problems during times of economic hardship.

Consumer Product Safety Commission (CPSC): \$113 million, \$8 million above last year and \$6 million above the budget request. Funds will be used to continue implementing the landmark bi-partisan consumer protection legislation passed in 2008 in response to massive product recalls, including children's toys from China. Funds are included to expand the Import Safety Initiative, which puts CPSC inspectors at key U.S. ports.

Treasury Inspector General: \$30 million, \$4 million more than 2009 and \$3 million more than the request; increase above the request is to help the IG perform mandated reviews in cases where bank failures or other circumstances caused losses to the deposit insurance fund.

FDIC Inspector General: \$38 million, \$10 million more than 2009 and the same as the request, with the increase mainly for investigations related to bank failures.

SEC Inspector General: \$4.4 million to provide, for the first time, the SEC Inspector General an independent appropriation as a safeguard against unwarranted interference.

PROVIDING CAPITAL AND OTHER ASSISTANCE FOR SMALL BUSINESSES AND DISADVANTAGED COMMUNITIES

Small Business Administration: \$848 million, \$236 million more than 2009 and \$69 million above the budget request:

- Overall lending: supports \$28 billion in new lending to small businesses—critically important for firms having trouble borrowing funds in a tight credit market.
- Microlending: supports \$25 million in new microlending and \$10 million in microloan technical assistance.
- Small Business Development Centers: \$110 million, same as in 2009 and \$13 million above the budget request. These centers are located throughout the country and provide counseling, training, and technical assistance to small businesses.
- PRIME: \$8 million, \$3 million above 2009 and \$5 million above the budget request, for technical assistance to low-income small business owners.

Community Development Financial Institutions (CDFI) Fund: \$244 million, the same as the President's budget and \$137 million more than 2009. The CDFI Fund helps supply credit to disadvantaged communities, with each dollar invested in the CDFI Fund leveraging at least 15 dollars, on average, in non-Federal investment. The appropriation includes \$80 million to launch the Capital Magnet Fund, a competitive grant program for development and renovation of low-income housing.

COMBATING TAX EVASION AND IMPROVING SERVICES TO TAXPAYERS

Combating Tax Evasion: \$5.504 billion for IRS tax enforcement, as requested by the President and \$387 million more than 2009. Among other things, the increase is for the Administration's initiative to target wealthy individuals and businesses who avoid U.S. taxes by parking money in overseas tax havens.

Improving Services to Taxpayers: \$2.274 billion for taxpayer services, \$4 million above the request and \$19 million below 2009 (reflecting one-time costs in 2009).

- Pre-Filing Taxpayer Assistance and Education: \$680 million, up \$19 million from 2009, including \$5.1 million for Tax Counseling for the Elderly, \$10 million for low-income taxpayer clinic grants (\$500,000 above the request), and \$9 million for Volunteer Income Tax Assistance grants (\$1 million above the request).
- IRS Taxpayer Advocate: \$206 million, \$13 million more than 2009, to help individuals solve ongoing tax problems with the IRS.

SUPPORTING EQUITABLE, EFFICIENT ADMINISTRATION OF JUSTICE IN FEDERAL COURTS

Federal Judiciary: \$6.942 billion, \$460 million more than 2009 and \$94 million less than requested, to keep up with costs and growing workloads.

- Funds 142 additional staff for the bankruptcy courts, to help deal with the 28 percent increase in bankruptcy filings over the past 12 months. Also adds 118 staff for probation and pretrial services, to handle increased caseloads.
- Implements recommendation from the Federal courts to increase payment rates for attorneys appointed to represent criminal defendants who cannot afford to hire a lawyer.

MEETING OUR RESPONSIBILITIES TO THE NATION'S CAPITAL CITY

- Assisting D.C. students: \$109 million, the same as 2009, including \$35 million for college tuition support, \$62 million for improvements to public and charter schools, and \$12 million for continuation of the school voucher program for students already enrolled in the program.
- New initiatives for priority needs: \$19 million for housing for the homeless, \$5 million to help youth disconnected from school or work, and \$4 million for HIV/AIDS prevention.
- Protecting water quality: \$20 million to alleviate combined sewer overflows and the water pollution they cause; \$400,000 for testing for lead in drinking water.

OTHER IMPORTANT PROGRAMS

Office of National Drug Control Policy:

- Drug-Free Communities grants: \$98 million, \$8 million above 2009, for grants to local community based coalitions to develop and implement plans to reduce drug abuse among youth.
- High-Intensity Drug Trafficking Areas (HIDTAs): \$248 million, \$14 million more than 2009 and \$28 million above the budget request, for joint Federal-state-local efforts to address drug production and trafficking and drug-related violence.
- Anti-drug media activities: \$20 million, \$50 million less than 2009 and the budget request, for public communication and outreach and targeted advertising. The national ad campaign directed at youth is not funded, because of evaluations showing that it has not been effective; part of the savings was redirected to Drug-Free Communities and HIDTA programs.

Financial Crimes Enforcement Network (FinCEN): \$103 million, \$11 million above 2009, to safeguard the financial system against drug traffickers, money launderers, terrorism financiers, tax evaders, and others involved in criminal activity.

Election Assistance Commission: \$124 million, the same as 2009 and \$55 million above the request. Includes \$100 million for grants to states to improve voting systems and election administration; \$4 million for research to improve accessibility for voters with disabilities; and \$2 million for pilot programs for pre- and post-election testing and audit of voting systems.

General Services Administration: \$8.466 billion for the Federal Buildings Fund, \$38 million above 2009 but \$65 million less than the President's request, including \$723 million for construction and acquisition and \$400 million for repairs and alterations.

National Archives and Records Administration: \$457 million, \$3 million above the request and \$10 million more than 2009, including \$13 million for National Historical Publications and Records Commission grants.

Executive Office of the President: \$754 million, \$26 million above 2009 and \$150 million below the request. Includes funds to deal with antiquated and deteriorating computer systems at the White House and for pilot programs for Federal/State cooperation to help improve services and reduce improper payments in jointly administered programs.

IMPORTANT POLICY ITEMS

Removing Special Restrictions on the District of Columbia: Eliminates prohibition on use of local tax funds for abortion, thereby putting the District in the same position as the 50 states. Also discontinues ban on use of funds in the bill for domestic partnership registration and benefits, and allows the District to implement a referendum on use of marijuana for medical purposes as has been done in other states.

TARP Oversight: Requires Treasury Department to report to the Committee on matters related to the financial stabilization program, including progress in implementing the recommendations of various oversight bodies and specifics of staffing and resources for enforcing program rules and protecting taxpayers' investments.

"In-Sourcing": Requires civilian agencies to create an annual inventory of services contracted out and then review whether it makes sense to bring the work back in-house. Last year's Defense Authorization Act required the Defense Department to do the same thing, and the Army says it has already saved \$50 million from the process.

Agricultural Exports to Cuba: Clarifies, for 2010, language contained in last year's Act regarding the requirement for payment of "cash in advance" for sale of farm products to Cuba, in order to remove unnecessary obstacles to trade.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including as Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.